

## FUND 143

### HOMEOWNER AND BUSINESS LOAN PROGRAMS

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#### **AGENCY MISSION**

*To provide a means and opportunity for low- and moderate-income families to become homeowners in the County or to improve their current living space through repair, modernization, or subsidized rental. To eliminate health and safety code violations, to provide decent, safe and sanitary housing, to enhance the quality and appearance of existing housing, and to retain a supply of affordable housing.*

#### **AGENCY SUMMARY**

Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Expenditures:					
Operating Expenses	\$507,918	\$805,424	\$3,858,138	\$772,512	\$772,512
Federal Public Housing	56	0	0	0	0
<b>Total Expenditures</b>	<b>\$507,974</b>	<b>\$805,424</b>	<b>\$3,858,138</b>	<b>\$772,512</b>	<b>\$772,512</b>

#### **Board of Supervisors' Adjustments**

*The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:*

- The Board of Supervisors made no changes to the FY 2001 Advertised Budget Plan.

#### **County Executive Proposed FY 2001 Advertised Budget Plan**



#### **Agency Overview**

Fund 143, Homeowner and Business Loan Programs, is comprised of a number of programs designed to meet the agency goal as detailed below:

- The Home Improvement Loan Program (HILP) provides loans to low- and moderate-income individuals to repair, modernize, or expand the living space for their families to help alleviate overcrowded conditions. Funds are also loaned to homeowners who are cited for health and housing code violations, and for replacement housing if necessary. Grants are provided for low income elderly or disabled residents through the Elderly Home Repair Program to make needed repairs and provide for handicapped accessibility, to prevent displacement, and allow these individuals to live in safe and sanitary housing. County appropriated funds within the Homeowner and Business Loan Programs are used in conjunction with bank funds budgeted in Fund 945, Non-Appropriated Rehabilitation Loans, and Federal funding in Fund 142, Community Development Block Grant, to increase the assistance available to County residents. Funds to support this program will come from loan repayments estimated to be \$372,879 in FY 2001.
- The Moderate Income Direct Sales (MIDS) program is designed to provide affordable home ownership opportunities for low-to-moderate income families who otherwise could not afford to purchase a home. Established in 1978, this program funds second trust loans up to \$15,000. These loans are repaid when the home is resold. The second trust allows the sales price to be affordable to families who would not normally qualify for home ownership. As initially established, MIDS units acquired or constructed by the Fairfax County Redevelopment and

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Housing Authority (FCRHA) were sold to moderate income families, and the purchase was made possible by the provision of the second trust loans. Estimated program income of \$343,950 from the resale of existing units will support this activity in FY 2001. The resale price of the unit is limited and the FCRHA has the first right of refusal when the home is resold.

- Fund 143, Homeowner and Business Loan Programs, was expanded to include the receipt of Federal funds for operation of the small and minority business loan program in FY 1996. The program is intended to provide loans to qualified small and minority businesses. Program funds will be administered by the South Fairfax Regional Business Partnership, Inc. through an agreement with the Department of Housing and Community Development. Loan repayments from the business loans will be received as revenue in Fund 143, Homeowner and Business Loan Programs, and will be used to pay debt service on the Section 108 loan.

Program income from the HILP and MIDS programs will provide direct loans as well as provide administrative support for the five positions that administer the programs, consistent with the business plan approved by the FCRHA and the Board of Supervisors.



### **Funding Adjustments**

*The following funding adjustments from the FY 2000 Revised Budget Plan are necessary to support the FY 2001 program:*

- An amount of \$372,879 is included to support the Home Improvement Loan Program in FY 2001. Expenditures are fully supported by program income that is anticipated to be received from loans made in prior years. The FY 2001 recommended funding level will provide \$22,000 to support the elderly home repair program, \$263,159 to provide for new rehabilitation loans, and \$87,720 to provide administrative support (staff costs are budgeted in Fund 940, FCRHA General Operating). The FY 2001 funding level represents a decrease of \$74,716 from the FY 2000 Adopted Budget Plan based on anticipated revenue for FY 2001.
- An amount of \$343,950 is included in FY 2001 for the Moderate Income Direct Sales Program (MIDS). This funding will allow for retention of housing units in the program as turnover occurs during the year. No new MIDS units are funded in FY 2001. Of the total MIDS funding, an amount of \$59,483 will be used to support the administrative costs associated with the program (budgeted in Fund 940, FCRHA Operating). The FY 2001 funding level represents an increase of \$45,061 over the FY 2000 revised funding level based on repayment receipts.
- An amount of \$55,683 is included in the Business Loan Program. This represents the FY 2001 debt service payment on the original \$1 million Federal Section 108 loan. The expenditure is fully supported by the repayment of business loans.

*The following funding adjustments reflects all approved changes to the FY 2000 Revised Budget Plan since the passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999.*

- As part of the FY 1999 Carryover Review, an increase of \$3,052,714 was due to the carryover of \$3,375,611 in unexpended project balances less \$322,897 in unrealized program income in FY 1999. In Fund 143, Homeowner and Business Loan Programs, all unexpended balances automatically are carried forward to the next fiscal year to support recurring program costs.

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### FUND STATEMENT

Fund Type H14, Special Revenue Funds

Fund 143, Homeowner and Business  
Loan Programs

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$1,652,746</b>	<b>\$0</b>	<b>\$1,717,211</b>	<b>\$0</b>	<b>\$0</b>
Revenue:					
Program Income (MIDS Program)	\$182,410	\$298,889	\$298,889	\$343,950	\$343,950
County Rehabilitation Loan Repayments	383,289	447,595	447,595	372,879	372,879
Business Loan Program	6,740	58,940	1,394,443	55,683	55,683
Total Revenue	\$572,439	\$805,424	\$2,140,927	\$772,512	\$772,512
<b>Total Available</b>	<b>\$2,225,185</b>	<b>\$805,424</b>	<b>\$3,858,138</b>	<b>\$772,512</b>	<b>\$772,512</b>
Expenditures:					
Rehabilitation Loans and Grants	\$379,665	\$447,595	\$1,121,906	\$372,879	\$372,879
Water Extension and Improvement Projects	0	0	52,867	0	0
Moderate Income Direct Sales Program (MIDS)	82,724	298,889	1,337,767	343,950	343,950
Business Loan Program	45,585	58,940	1,345,598	55,683	55,683
Total Expenditures	\$507,974	\$805,424	\$3,858,138	\$772,512	\$772,512
<b>Total Disbursements</b>	<b>\$507,974</b>	<b>\$805,424</b>	<b>\$3,858,138</b>	<b>\$772,512</b>	<b>\$772,512</b>
<b>Ending Balance</b>	<b>\$1,717,211</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>